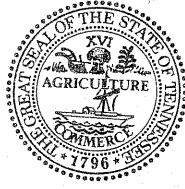


TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman
Deborah Taylor Tate, Director
Pat Miller, Director
Ron Jones, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

July 19, 2002

Mr. Charles Pickney
On-Site Systems, Inc.
7638 River Road Pike
Nashville, TN 37209-5733

RE: Dkt. # 02-00172 – Petition to amend Certificate of Convenience and Necessity

Dear Mr. Pickney:

After reviewing your petition we have discovered that certain information is needed to complete the application. Please provide the following information.

1. In your petition the amount stated for average bonding costs is estimated to be \$4,482.00 for each homeowner. How was this amount arrived at?
2. Is the amount of the bond expected to increase in the future?

Please respond by July 31, 2002. Thank you for your attention to this matter. If you should have any questions, you may contact Butch Phillips at (615) 741-2904, ext. 183.

Sincerely,

Dan McCormac
Chief
Energy and Water Division

cep02-33onsite